

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

74-6447/A

Office of the Director

27 DEC 1974

Major General George J. Keegan, Jr.
Assistant Chief of Staff, Intelligence
Department of the Air Force
Headquarters United States Air Force
Washington, D.C.

Dear George:

I have your letter of 26 November 1974 on the matter of Contracting for Intelligence Support.

For some time I have been concerned about the whole matter of contractor support, with special emphasis on expenditures and quality of product.

Your suggestion of a master list or registry of external intelligence contracts may well be the first step we should take. I am asking Bill Hyland to look into the possibility of handling this task for the Community. This seems a logical step since INR already has a mechanism (the USC/FAR Consolidated Plan for Foreign Affairs Research) to track unclassified external research.

Once I hear from Bill we can consider the matter further at USIB.

Sincerely,

/s/ Bill

W. E. Colby

IC/PRD

Distribution:

Orig - Addressee

1 - DCI

1 - DDCI

1 - D/DCI/IC

1 - AD/DCI/IC

1 - ER

1 - IC Registry

1 - PRD Chrn

1 - PRD Subj

STAT

74-6447/1

Office of the Director

27 DEC 1974

Mr. William G. Hyland
Director of Intelligence and Research
Department of State
Washington, D.C.

Dear Bill:

I attach a copy of a letter of 26 November 1974 from George Keegan on Contracting for Intelligence Support. I am responding to him that I wish to elicit your views on the subject.

I share his concern about contractor support, especially with regard to the expenditures involved and the sometimes dubious quality of product achieved. I am attracted to his suggestion of a master list or registry of external intelligence contracts. Perhaps we should consider that as a first step.

I am aware that INR's USC/FAR Consolidated Plan for Foreign Affairs Research already serves as a mechanism for tracking unclassified external research. Is there a possibility this mechanism could be expanded to cover the task for the Community? At a minimum, it seems to me, any Community effort should be closely coordinated with the INR Consolidated Plan.

When I hear from you then I think we can consider the matter further at USIB.

Sincerely,

Wes Bill

W. E. Colby

Attachment

IC/PRD

Distribution:

- Orig - Addressee
- 1 - DCI
- 1 - DDCI
- 1 - D/DCI/IC
- 1 - AD/DCI/IC
- ✓ 1 - ER
- 1 - IC Registry
- 1 - PRD Chrn
- 1 - PRD Subj
- 1 - WMH Chrn

STAT

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C.



REPLY TO
ATTN OF:

IN

26 NOV 1974

SUBJECT: Contracting for Intelligence Support

TO: Chairman, United States Intelligence Board (Mr. Colby)

1. The area of contracting for intelligence support is beset with management problems. Many of them could be alleviated by a mechanism to identify unnecessary duplications and expenditures. Savings in money and manpower should be substantial.

2. Under the present system of contracting for intelligence support, there is no complete listing of what analyses contractors external to the government are doing and for whom. This has resulted in duplication, unnecessary expenditures, and decreasing cooperation between intelligence agencies. Studies have been developed in isolation using selective data bases that have proven to be inadequate, and products have not always been widely distributed. All of this has led to criticism directed against our management of resources.

3. The number of duplicatory contractor studies appears to be growing substantially as budgets are cut and requirements expand. This has already manifested itself in many contract studies exhibiting those negative qualities mentioned above (e.g., BACKFIRE role, ICBM/SLBM performance, laser beam weapons, PNUTS, CW/BW, ASW and ABM R&D).

4. DIA is attacking this problem through the automated S&T contract file which identifies contract subject and sponsor. Though this file has potential to serve the community as an "open book" on contract assistance, it is but a modest beginning.

5. Many intelligence-related contract studies are generated by nonintelligence elements of the Government, i.e., OSD, departmental analytical and R&D staffs, NSC, ACDA, etc. Recognizing this fact, I believe we should first address the

problem of monitoring those studies initiated by the intelligence community. After that, a further look could be given to nonintelligence elements.

6. I suggest that the problem of external contractor assistance to the intelligence community be addressed in the USIB arena, either through an ad hoc committee or the existing committee structure. Thorough examination of the problem could be accomplished relying on inputs from all agencies involved.

7. Specifically, I urge that a mechanism be established requiring:

* a. that all intelligence agencies contracting externally for studies containing a threat implication so report;

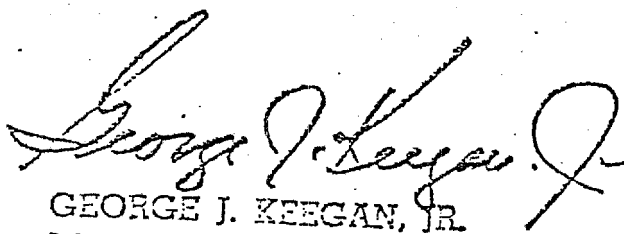
* b. that details concerning contract objectives, assumptions, timing, etc., be made known to the intelligence community; and

c. maintenance of a master listing or registry of all such contracts -- appropriately classified -- with distribution to USIB members.

- 8. An access file structured as above would help avoid excessive duplication of effort. We need better management of a process that is not now being monitored and that is imposing a crushing unprogrammed burden on those of us who generate data bases.

9. Unless the community takes an initiative soon, I expect that one will be imposed, possibly in the form of a directed post-audit of all intelligence research contracts accomplished in recent years. Now is the time to police our own house and set it in order.

10. The "open door/open book" policy is essential if we are to improve the integrity of contractor analyses in the substantive intelligence area. Request this matter be submitted to the United States Intelligence Board for consideration.



GEORGE J. KEEGAN, JR.

Major General, USAF

Asst Chief of Staff, Intelligence

Cy to: D/DCI/IC (Lt Gen Wilson)

UNCLASSIFIED	CONFIDENTIAL	SECRET
--------------	--------------	--------

EXECUTIVE SECRETARIAT**Routing Slip**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	S/MC				
4	DDS&T				
5	DDI		X		
6	DDM&S				
7	DDO				
8	D/DCI/IC				
9	D/DCI/NIO				
10	OGC				
11	OLC				
12	IG				
13	Compt				
14	D/Pers				
15	D/S				
16	DTR				
17	Asst/DCI				
18	AO/DCI				
19					
20					
21					
22					
SUSPENSE		Date			

Remarks:

Per your request, attached is a copy of item #3 from the 31 December Director's Daily Journal.

A/Executive Secretary

12/31/74

Date

3637 (3-74)

STAT

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	CONFIDENTIAL		
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	Director/OPR		<i>[Signature]</i>
2	<i>DDIPR</i>		<i>[Signature]</i>
3			
4			
5			
6			
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	
Remarks: <p style="text-align: center;">Mr. Proctor requested that the attached be sent to you for your information.</p> <p><i>Lew - suggest that go to WSC/FAR files.</i> <i>Agree.</i></p>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
Deputy Director for Intelligence			2 Jan. 74
UNCLASSIFIED			CONFIDENTIAL
			SECRET

STAT